

STATE OF CALIFORNIA
Spring Finance Letter - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 3855	Department Sierra Nevada Conservancy	Priority No. 2
Budget Request Name 3855-301-BCP-BR-2016-A1		Program 3220	Subprogram

Budget Request Description
Proposition 84 – New Appropriation of Reverted Funds

Budget Request Summary

The Sierra Nevada Conservancy is requesting a new local assistance appropriation \$403,000 of Proposition 84 funds to be used in accordance with Section 75050(j) of the Public Resources Code.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? ☐ Yes ☒ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By <i>Amanda Martin</i>	Date 3/24/16	Reviewed By <i>Amey</i>	Date 3-24-16
Department Director <i>Ann Brankow</i>	Date 3/24/16	Agency Secretary <i>PLC</i>	Date 3/24/16

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA Original Signed by
Amanda Martin Date submitted to the Legislature 4-1-16

Analysis of Problem

A. Budget Request Summary

The Sierra Nevada Conservancy (SNC) is requesting a new local assistance appropriation of \$403,000 Proposition 84 funds to be used in accordance with Section 75050(j) of the Public Resources Code. These funds will be used to award grants and cooperative agreements to governmental agencies, eligible nonprofit organizations, and tribal organizations to accomplish the SNC's mission to initiate, encourage, and support efforts that improve the environmental, economic, and social well-being of the Sierra Nevada Region, its communities, and the citizens of California.

The SNC is also requesting that budget control language be added to make the new appropriation funds be available for encumbrance until June 30, 2019.

B. Background/History

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Section (§) 75050(j), contains provisions that allows the legislature to appropriate \$54 million to SNC for grants and other agreements for protection and restoration of rivers, lakes and streams, their watersheds and associated land, water, and other natural resources. Of this amount, 3.5 percent (\$1.9 million) is set aside for statewide bond costs, and the SNC has authority to expend 5 percent (\$2.7 million) of the total \$54 million to cover costs for implementing, administering, and ensuring proper oversight (Program Delivery) of funding for Prop 84 projects. The remaining balance of \$49.4 million is available for awarding grants and cooperative agreements to governmental agencies, eligible nonprofit organizations, and tribal organizations to accomplish the SNC's mission to initiate, encourage, and support efforts that improve the environmental, economic, and social well-being of the Sierra Nevada Region, its communities, and the citizens of California.

BCPs were submitted in FYs 2007-08, 2008-09 and 2009-10 requesting appropriations, with subsequent BCPs requesting, and receiving, reappropriation of unspent funds in FYs 2011-12 and 2012-13. Most of the funding had been awarded by 2013-14, however, some funds were returned to SNC due to projects expiring with unused funds or projects closing successfully needing less funding than awarded. The SNC has requested budget bill language for any funds that will not be expended as of June 30, 2016 be reverted. A new appropriation is being requested to ensure the total \$54 million Prop 84 funds that were provided to the SNC will be used to continue funding projects in compliance with the bond language.

C. State-Level Considerations

This request is directly related to the implementation of portions of Division 43 added to the Public Resources Code, §75050(j). The proposal will continue to enable the SNC to implement the program and provide full distribution of grant funds for support of the SNC mission of Prop 84. The development, implementation, and administration of Prop 84 funds is closely tied to the key objectives of the SNC including providing funding assistance to encourage community-based solutions to watershed protection and natural resources related issues of the Sierra Nevada Region.

D. Justification

This proposal would allow the SNC to fully utilize the Prop 84 local assistance funding as specifically directed in §75050(j). These funds enable the SNC to continue to improve the environmental, economic, and social well-being of the Sierra Nevada Region, its communities, and the citizens of California. The Region provides significant water resources and water-related services to California. The state gets more than 60 percent of its developed water supply for statewide residential, commercial, and environmental uses from the Region's many lakes, streams and rivers. Water supply, water quality, and flood management are all elemental to both the mission of the SNC and purpose of Proposition 84.

Analysis of Problem

E. Outcomes and Accountability

Outcomes and accountability are inherent in bond-funded grant program administration because of the fiscal deadlines built in to the appropriations. The funds are appropriated to the SNC for the purpose of funding grant programs and the necessary procedures are in place to ensure oversight and performance evaluation. These procedures include regular project reporting; the reporting of performance measures for each project; project oversight; independent audit procedures; and activities to track, monitor, and document the contracts, projects, expenditures, and communication between SNC and the grantees. The SNC continually strives to further improve its grant program as needs and issues are identified.

F. Analysis of All Feasible Alternatives

Alternative A – Approve this request for a new allocation for local assistance for FY 2016-17 with budget language that would enable these funds to be available for encumbrance through the 2018-19 fiscal year.

Pro:

- Will provide the SNC with funding to continue awarding natural resource conservation and restoration projects through FY 2018-19.

Con:

- None

Alternative B – Approve this new allocation request for a reduced amount for FY 2016-17 with budget language that would enable these funds to be available for encumbrance through the 2018-19 fiscal year.

Pro:

- Will provide the SNC with partial funding to continue awarding natural resource conservation and restoration projects statewide through FY 2018-19.

Con:

- The SNC would not be able to fully expend the Prop 84 bond funds as specifically directed in PRC §75050(j).

Alternative C – Do not approve this request for a new allocation for local assistance for FY 2016-17 with budget language that would enable these funds to be available for encumbrance through the 2018-19 fiscal year.

Pro:

- None

Con:

- The SNC would not be able to fully expend the Prop 84 bond funds as specifically directed in PRC §75050(j).

Analysis of Problem

G. Implementation Plan

Upon approval the SNC will continue to fund local assistance projects in compliance with its mission and the Bond Act.

H. Supplemental Information

Not applicable.

I. Recommendation

Alternative A – Approve this request for a new appropriation of Prop 84 local assistance funding that has been reverted.

Proposed Language.

Item 3855-101-6051 – For local assistance, Sierra Nevada Conservancy, payable from the Safe Water Drinking Water, Water Quality, and Supply, Flood Control, River and Coastal Protection Fund of 2006..... \$403,000

Schedule:

(1) 3220-Sierra Nevada Conservancy..... 403,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance until June 30, 2019.

BCP Fiscal Detail Sheet

BCP Title: Prop 84 Local Assistance

DP Name: 3855-301-BCP-DP-2016-A1

Budget Request Summary

	CY	BY	FY16 BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
54XX - Special Items of Expense	0	403	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$403	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$403	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - Local Assistance

6051 - Safe Drinking Water, Water Quality
and Supply, Flood Control, River and
Coastal Protection Fund of 2006

	0	403	0	0	0	0
Total Local Assistance Expenditures	\$0	\$403	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$403	\$0	\$0	\$0	\$0

Program Summary

Program Funding

3220 - Sierra Nevada Conservancy

	0	403	0	0	0	0
Total All Programs	\$0	\$403	\$0	\$0	\$0	\$0